



**Office of the Attorney General  
Paul G. Summers**

**Department of Commerce and Insurance  
Commissioner Paula Flowers**

**NEWS RELEASE**

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**TENNESSEE ATTORNEY GENERAL STOPS ALLEGED UNLAWFUL INTERNET  
PYRAMID SCHEME OPERATION**

Tennessee Attorney General Paul G. Summers has entered into an agreement with a West Tennessee couple to stop operating an alleged illegal pyramid scheme on the Internet.

Defendants Johnny Croom and his wife, Barbara, are alleged to have operated an illegal pyramid scheme through their Internet-based business Welcomewinners.com also known as Money Magic. The Crooms, who based their business in Humboldt, have removed their Internet web site as part of the agreement filed in the Circuit Court in Nashville. In addition, Welcomewinners.com/Money Magic has ceased all business associated with that web site.

"The allure of easy money sometimes gets in the way of good research and a little common sense," Tennessee Attorney General Paul G. Summers said. "It's a good rule of thumb to remember if it sounds too good to be true, it probably is."

It is still unknown how many Tennesseans actually "paid to play" in the Croom's pyramid distributorship, hoping to make money by paying money and recruiting others into the scheme. In pyramid schemes, those at the top of the pyramid (those who originate the scheme) make the money

while those who sign on later, usually obtain little to nothing for their investment. Such a scheme violates Tennessee's Consumer Protection Act.

Mary Clement, director of the Division of Consumer Affairs, reminded consumers, "Consumer Affairs receives complaints regularly dealing with what consumers perceive to be Internet fraud. Tennesseans should have patience and do extensive research before giving information on the Internet."

As part of the agreement, the defendants have agreed not to sell, assign, or otherwise transfer their interest in [Welcomewinners.com/Money Magic](http://Welcomewinners.com/Money Magic). They have also agreed not to operate or participate, in the future, in any pyramid scheme, as defined by the statute. The Crooms have been ordered by the Court to pay court costs and civil penalties in the amount of \$1,000.00 to the State of Tennessee. As part of the agreement, the Crooms do not admit or deny the allegations of the Petition.